Calendar No. 223

102D CONGRESS *1st Session*	SENATE	REPORT 102-150

TOURISM POLICY AND EXPORT PROMOTION ACT OF 1991

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 680

SEPTEMBER 13 (legislative day, SEPTEMBER 10), 1991.—Ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE
49-010 WASHINGTON : 1991

S263-21

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Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 680]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 680) to amend the International Travel Act of 1961 to assist in the growth of international travel and tourism into the United States, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

PURPOSE OF THE BILL

The bill, as reported, would amend the International Travel Act of 1961 to authorize funding for the U.S. Travel and Tourism Administration (USTTA) for 3 years, in the sum of $21,000,000 for fiscal year (FY) 1993, $24,000,000 for FY 1994, and $27,000,000 for FY 1995. In addition, the bill makes other changes in the International Travel Act of 1961 to (1961 Act) to facilitate the growth of international travel and tourism into the United States.

BACKGROUND AND NEEDS

On July 10, 1991, the Subcommittee on Foreign Commerce and Tourism held a hearing on the status of the U.S. travel and tourism industry. At the hearing, witnesses from both the public and private sectors emphasized the need to revise the Federal Government's tourism policy in order to adjust to increasingly competitive market conditions. The Federal Government's tourism policy has not changed since 1981, while the number of international visitors has doubled. In 1989, the travel and tourism industry reported its

first balance of payments surplus in a decade—$1.3 billion. In 1990, the USTTA reported an impressive $5.2 billion surplus.

After 2 years of positive growth, however, the industry was confronted in 1991 with the Persian Gulf war and a recession, both of which threatened to destroy the gains of the preceding 2 years. At the hearing, representatives of the industry reported that revenues declined substantially for all sectors of the travel and tourism industry in the first half of 1991. The Committee believes that if the United States is to expand upon its recent surplus in tourism trade, it must pursue a more vigorous and coordinated Federal tourism policy.

S. 680 was introduced to fulfill that objective. The bill, as reported, would make several changes in the 1961 Act to focus the Federal tourism program on expanding the Nation's tourism surplus. The bill also reauthorizes funding for the USTTA. No USTTA authorization legislation has been approved by Congress since 1981.

Finally, S. 680 would create a private, nonrprofit Rural Tourism Development Foundation (Foundation) to encourage the development and promotion of rural tourism in the United States. In addition to testimony presented by witnesses during the July 19, 1991, hearing, support for the creation of such a Foundation was indicated by two reports that were brought to the attention of the Committee during the 101st Congress: the "National Policy Study on Rural Tourism and Small Business Development," released by the USTTA in September 1989; and "Rural Economic Development for the 90's, A Presidential Initiative," prepared by the Economic Policy Council Working Group on Rural Development and released by the White House in January 1990.

Both studies note the rapid changes and economic stresses facing rural America and point out that, while agriculture remains its most important industry, rural America's future depends upon its ability to create employment opportunities in off-farm activities such as tourism. They note that Federal, State, and local governments have a valuable role to play, but that they must improve coordination of their activities so that they complement private-sector efforts to secure the long-term economic health of rural America.

The USTTA's "National Policy Study on Rural Tourism and Small Business Development" notes that, until recently, few Federal policymakers have recognized tourism as a tool that can help diversify and strengthen the economy of rural America. As a result, there has been neither a coherent national policy on rural tourism development nor any coordination among Federal agencies whose programs directly affect rural tourism enterprises.

For example, although the National Park Service, the Forest Service, the Bureau of Land Management, and the Army Corps of Engineers each publish maps and informational materials related to their own scenic and recreational lands, the Federal Government produces no comprehensive information on such lands. While this may be frustrating to American families that want to visit national parks and recreation areas across the country, the implications are particularly troublesome with regard to the ability of rural America to benefit from international tourism.

This fact is illustrated by recent USTTA studies which indicate that the majority of international visitors want to visit an area of scenic beauty when they travel to the United States. However, potential international visitors tend only to know about the most popular, often overused, Federal sites such as the Grand Canyon, and Yosemite and Yellowstone National Parks. They are unaware of hundreds of other Federal parks, forests, and recreational lands throughout the United States.

Most of these Federal lands are located in rural areas. Of the National Park Service's 355 parks, parkways, recreation areas, historical parks and sites, monuments, and seashores, only 61 are located in or near metropolitan areas. Only 10 of the 156 National Forests are located within one-half an hour's drive of a major city. Only one of the Bureau of Land Management's 460 recreational areas is located within one-half an hour's drive of a major city. All but about 10 percent of the Corps of Engineers' 4,300 recreation areas located around 472 manmade lakes across the country are in rural America.

Given current budgetary constraints, neither the USTTA nor the Federal agencies responsible for scenic and recreational lands are able to develop comprehensive information which could be used to attract potential visitors to rural America. S. 680 would create a Foundation, modeled after the National Parks Foundation, as a mechanism for filling such critical information gaps, fostering cooperation between private and public sector tourism and economic development interests affecting rural America, and accomplishing other national and regional goals important to the development and promotion of rural tourism. Language similar to the Foundation provision in S. 680 as reported was approved by the Senate on June 12, 1991, as an amendment to S. 1204, the Surface Transportation Efficiency Act of 1991.

Legislative History

On March 14, 1991, Senator Rockefeller introduced S. 680, the Tourism Policy and Export Promotion Act of 1991, a bill to amend the International Travel Act of 1961. The bill is cosponsored by all other members of the Committee, and Senator Bond.

The Foreign Commerce and Tourism Subcommittee held a hearing on July 10, 1991, to review the state of the tourism industry and the Federal Government's policy with regard to the tourism industry. The Committee met in open executive session on July 30, 1991, to consider S. 680. Senator Rockefeller offered an amendment in the nature of a substitute. This amendment was approved with one further amendment by Senator McCain, which directs the Secretary of Commerce (Secretary), within 18 months of the date of enactment of the legislation, to report to Congress on activities of the Department of Commerce (DOC) and other Federal agencies to increase tourism opportunities for, and encourage travel by, disabled persons. S. 680 as amended was ordered to be reported without objection.

Summary of Major Provisions

As reported, S. 680 would:

1. establish a national goal to increase and sustain the U.S. travel and tourism export trade surplus;

2. require the Secretary to report barriers to travel and tourism annually;

3. direct DOC to improve travel and tourism data;

4. require the USTTA to concentrate its efforts on those international markets that have the greatest potential for increasing travel and tourism expenditures;

5. establish a program to assist States, cities, and other nonprofit organizations in developing tourism trade with targeted markets selected by the USTTA, after receiving comments from persons interested in such trade;

6. require the Secretary, in consultation with other appropriate agencies, to take action to ensure that international tourists are not unnecessarily delayed when entering the United States;

7. establish three regional field offices and a new career position, the Deputy Under Secretary for Tourism Trade Development, to manage those offices and the new tourism trade development program;

8. create a Foundation to assist in facilitating private/public partnerships designed to promote rural America as a travel destination;

9. provide a 3-year authorization for the USTTA: $21 million for FY 1993, $24 million for FY 1994, and $27 million for FY 1995, of which up to $500,000 would be authorized in each of those fiscal years to match contributions and provide administrative services for the Foundation; and

10. require a study and a report to Congress by the National Academy of Sciences on the health benefits of tourism, as well as a report to Congress by the Secretary on the activities of DOC and other Federal agencies to increase tourism opportunities for and encourage travel by disabled persons.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 11, 1991.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached revised cost estimate for S. 680, the Tourism Policy and Export Promotion Act of 1991. This estimate supersedes the estimate of September 5, 1991, and corrects an erroneous bill number reference.

Enactment of S. 680 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 680.

2. Bill title: Tourism Policy and Export Promotion Act of 1991.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 30, 1991.

4. Bill purpose: S. 680 would amend the International Travel Act of 1961. Included in the bill are provisions that would:

Direct the Department of Commerce to expand its survey of international air travelers;

Instruct the Secretary of Commerce to provide an annual report on foreign barriers to travel and tourism exports and an estimate of the economic impact of those barriers;

Direct the Secretary to ensure that foreign tourists are not unnecessarily delayed when entering the United States;

Direct the Secretary to select markets appropriate for tourism trade development and authorize the Secretary to provide grants to regional governmental entities and nonprofit organizations for tourism development programs;

Direct the Secretary to assemble information on economic activity associated with scenic and recreational travel, and with the identification and promotion of scenic byways and Indian reservations as tourist attractions;

Establish a Rural Tourism Development Foundation to develop and promote rural tourism;

Reorganize the internal structure of the United States Travel and Tourism Administration;

Increase the membership of the Tourism Policy Council;

Clarify national tourism policy.

S. 680 would authorize appropriations of $21.0 million in fiscal year 1992, $24.0 million in fiscal year 1993, and $27.0 million in fiscal year 1994.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995	1996
Authorization level	21.0	24.0	27.0	0	0
Estimated outlays	16.2	22.0	26.1	6.0	1.7

The costs of this bill fall within budget function 370.

Basis of estimate: CBO estimates that the full amounts authorized will be appropriated. The outlay estimate is based on historical spending rates.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. CBO estimates that enact-

ment of S. 680 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

7. Estimated cost to State and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: John Webb.

11. Estimate approved by: C.G. Nuckols, James L. Blum, Assistant Director for Budget Analysis.

Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

NUMBER OF PERSONS COVERED

This legislation provides an authorization of appropriations for FY 1993–95 to enable the USTTA to carry out its functions under the 1961 Act. The legislation makes several changes which should not increase the number of persons covered by the 1961 Act. Section 8 establishes a new Foundation which will be governed by a Board of Directors from the private sector. The Foundation is being established to assist in the development and promotion of rural tourism; it is difficult to estimate the number of individuals and businesses that might participate in Foundation activities. Section 3 of the bill directs the Secretary to work with the airlines to improve the on-board survey, already conducted by the airlines. The number of persons affected by this provision thus should not increase.

ECONOMIC IMPACT

Section 11 of this bill authorizes appropriations for the USTTA of $21,000,000 for FY 1993, $24,000,000 for FY 1994 and $27,000,000 for FY 1995 of which up to $500,000 is authorized for each of these fiscal years to support the new Foundation. These funding levels are modest and are not expected to have an inflationary impact on the Nation's economy. The reported bill is intended to promote international travel and tourism into the United States and thus could have a positive impact on the U.S. balance of payments.

PRIVACY

This legislation will not have any adverse impact on the personal privacy of the individuals affected.

PAPERWORK

Under S. 680, the Secretary is required to do several reports: one on the feasibility of publishing monthly tourism statistics (section 3); an annual report on barriers to travel and tourism exports (section 4); a report on efforts to improve visitor facilitation (section 5); an annual report on tourism trade development (section 6); and a report on activities undertaken by Federal agencies to increase tourism opportunities for and encourage travel by disabled persons (section 13). In addition, the Secretary is directed to enter into ar-

rangements with the National Academy of Sciences to do a report on the health benefits of travel (section 12). The studies required under sections 3, 5, 12, and 13 are one-time studies and are not expected to increase significantly paperwork requirements. The annual studies under sections 4 and 6 replace existing requirements and thus will not increase paperwork requirements.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

This section states that the short title of the legislation is the "Tourism Policy and Export Promotion Act of 1991."

SECTION 2—FINDINGS

This section sets out findings which demonstrate the size of the U.S. travel and tourism industry, its importance to our gross national product, employment, and the U.S. international trade position.

SECTION 3—STATISTICAL REPORT

This section directs the Secretary to improve the compilation of data related to the travel and tourism industry. Specifically, the Secretary is required to:

(1) improve the survey of international air travelers; and

(2) seek to increase the reporting frequency of the data provided by Statistics Canada and the Bank of Mexico.

Within 18 months of the date of enactment of this legislation, the Secretary is required to report to Congress on these efforts and on the desirability and feasibility of publishing monthly travel and tourism statistics.

The Committee recognizes that DOC may incur additional expense in reporting these statistics on a monthly basis; therefore, the bill does not require such monthly reporting. However, the Committee believes that, if the United States is to recognize the significance of the tourism industry as both a major employer and a major exporter, DOC should consider reporting tourism statistics on a monthly basis, as it does in the manufacturing sector.

SECTION 4—TOURISM TRADE BARRIERS

This section requires the Secretary to do an annual report on trade barriers to U.S. travel and tourism exports.

SECTION 5—ACTION TO FACILITATE ENTRY OF FOREIGN TOURISTS

This section finds that international tourists entering the United States are faced frequently with unnecessary delays at the U.S. border. Under section 5 of the reported bill, the Secretary in coordination with other appropriate Federal agencies, shall take action to ensure that international tourists are not delayed unnecessarily when entering the United States. The Secretary is required to report to the Committee, within 1 year of the date of enactment of the legislation, on the progress achieved in facilitating the entry of foreign visitors into the United States.

The Committee supports the International Civil Aviation Organization's 45-minute standard for processing passengers through the entire Federal inspection process. The Committee expects that the Secretary will examine, as part of the report, what progress all the Federal inspection services [the Immigration and Naturalization Service (INS), the U.S. Customs Service (Customs), the U.S. Department of Agriculture, the Public Health Service, and the U.S. Fish and Wildlife Service] are making toward achieving the 45-minute processing time for all Federal inspection.

A 1991 General Accounting Office (GAO) report on visitor facilitation made a number of recommendations to ease the arrival of foreign visitors at U.S. airports. One recommendation made by GAO in the report was that the INS reinstitute the "citizen bypass" system. GAO found that between 1978 and 1989, the INS speeded up the inspection process by using this system, under which it did not have to inspect the travel documents of returning U.S. citizens. In place of this system, the INS is currently using Accelerated Citizen Examination (ACE) in some locations to facilitate citizen entry. The ACE Program is designed to speed up the inspection process for U.S. citizens when it appears that the 45-minute standard will not be met, applied at the discretion of the on-site supervisory INS officer. The Committee expects that the Secretary will work with the INS to expand the use of selectivity in immigration processing.

At the July 10, 1991 hearing held by the Subcommittee on Foreign Commerce and Tourism, other suggestions were made by witnesses to speed up the INS inspection process. One suggestion was retention and expansion of immigration preinspection. Preinspection is an immigration inspection of passengers at foreign ports by U.S. Federal inspectors before those passengers leave for the United States. The Committee anticipates that the Secretary will work with the INS and the Department of State to determine what efforts are underway to expand immigration preinspection. The Committee believes that immigration preinspection eliminates a significant part of the processing delays experienced by foreign visitors and citizens upon entering the United States. The Committee understands that the London preinspection test was a success and supports reinstatement of London preinspection as a permanent program, and believes that the Federal Government should examine the feasibility of expanding preinspection to other locations.

Another suggestion made at the hearing was to increase INS inspection staff. The Committee expects that the Secretary also shall investigate whether the INS has hired and trained the requisite number of immigration inspectors to meet its part of the 45-minute standard. As part of the INS 1991 staffing model, the INS identified that an additional 723 INS inspector positions were necessary to meet the 45-minute standard. The Committee believes that all these positions should be filled and in the field at the earliest possible date, and that the INS could use part-time and seasonal staff to meet the demands of peak scheduling and seasonal traffic increases.

In addition, the Committee directs the Secretary to consult with U.S. airports, airlines, and the travel industry in developing the report mandated under this section on entry facilitation.

SECTION 6—TOURISM TRADE DEVELOPMENT

This section: (1) requires the USTTA to concentrate its trade development efforts on those markets that have the greatest potential for increasing travel and tourism export revenues; (2) establishes a program to assist States, cities, and nonprofit organizations in developing tourism trade in targeted markets selected by the USTTA, after receiving comments from individuals interested in such trade; (3) changes the composition of the USTTA's Advisory Board to increase representation from the States and cities; and (4) amends the 1961 Act by replacing the word "marketing" with the words "tourism trade development" where appropriate.

This section requires the USTTA to focus its generic advertising and other trade development efforts in a limited number of markets that have been identified as having the greatest potential for increasing travel and tourism export revenues. The Committee believes that, by entering aggressively markets where potential for tourism business development is high, or where little has yet been done to foster competitive opportunities, the USTTA can maximize the return on its limited investment. Federal Government initiative and development thus would track markets of opportunity, as well as focus on programs that help build State and local international promotion capabilities. In mature markets, U.S. private-sector interests are generally well-presented and, with the support of a country "maintenance" office, should be able to maintain and achieve satisfactorily incremental growth in those markets.

The Committee envisions that a particular promotional campaign undertaken by the USTTA will be approximately 4 years in duration. In the first year, the USTTA is to solicit comments from interested parties on international tourism markets appropriate for such a campaign and to select the market or markets where such a campaign will be undertaken. It should be noted that, for purposes of this section, the term "market" may be defined as either a country, a region, or demographic subset of a country and/or a group of countries.

During the second year, the USTTA is to solicit proposals from States and political subdivisions thereof, regions, and appropriate nonprofit organizations for tourism trade development programs which would be conducted in conjunction with the USTTA's promotional campaign. The Committee has limited the commitment of funds for the award of grants to carry out this program to 10 percent of total annual appropriations to ensure that sufficient resources are available for other services provided by the USTTA. This period also would be used to coordinate and cooperate with tourism industry entities developing private-sector programs in support of the overall promotional campaign.

Actual promotional activities would commence in the third year. The measurement of the effectiveness of a specific campaign is to occur within the fourth year, with the Secretary reporting the findings of such evaluation to Congress the following year. Because new 4-year campaigns will commence each year, eventually all these functions will be occurring at the same time, albeit with respect to different markets. Upon the conclusion of promotional campaigns, the USTTA will establish small "tourism trade develop-

ment offices" as appropriate to reinforce and capitalize on the efforts carried out under this section. Because of this change in the structure of the USTTA's programs, the annual marketing plan requirement contained in current law has been repealed.

SECTION 7—COORDINATION

This section ensures that the United States and Foreign Commercial Service (USFCS) continues to assist the USTTA in encouraging foreigners to travel to the United States.

SECTION 8—RURAL TOURISM DEVELOPMENT FOUNDATION

Subsection (a) of this section contains the statement of congressional findings that increased efforts directed at the promotion of rural tourism will contribute to the economic development of rural America and enhance the conservation and promotion of natural, scenic, historic, scientific, educational, inspirational, and recreational resources for future generations of Americans and foreign visitors.

Subsection (a)(2) establishes a charitable and nonprofit corporation to be known as the Rural Tourism Development Foundation, or the "Foundation," in order to assist in the development and promotion of rural tourism.

Subsection (b) states that the functions of the Foundation shall be the planning, development, and implementation of projects and programs which have the potential to increase travel and tourism export revenues by attracting foreign visitors to rural America. This subsection lists projects and programs which initially shall be included among the activities of the Foundation, but states that the Foundation shall not be limited to those activities. The Committee anticipates that the Foundation's potential activities will be restricted only by its resources and the imagination of its Board of Directors. However, the Foundation should foster rural tourism development and promotion in a manner that enhances economic opportunities for existing small businesses and encourages cooperation rather than competition between local private and public providers of travel and tourism services.

The Committee anticipates that the Foundation will become involved in both national and specific regional projects and programs intended to increase international awareness of Federal scenic and recreational lands in order to promote rural America as a prime destination for foreign visitors. The Committee anticipates financial support for national programs and projects from a wide variety of sources, including small businesses that provide travel and tourism services near Federal scenic and recreational lands, larger companies, various levels of government, and individuals who would benefit from the growth of rural America as an international tourism destination. Recognizing the wealth of scenic and recreational opportunities offered by State and local parks, and Indian reservations, as well as private enterprises, the Committee anticipates that contributions to the Foundation may be earmarked for, and that the Foundation will provide assistance to, multicounty, multi-State, and other private/public partnerships in order to fa-

cilitate specific regional projects related to rural tourism development and international trade promotion.

Subsection (c)(1)(A) states that the Foundation shall have a Board of Directors which, during its first 2 years, is to consist of nine voting members. Thereafter, the Board shall consist of those nine members plus up to six additional voting members as determined in accordance with the bylaws of the Foundation. While there is a view that smaller organizations tend to be more dynamic, the reported bill gives the Board flexibility with regard to size.

Subsection (c)(1)(B) requires the Deputy Under Secretary of Commerce for Travel and Tourism to appoint the nine initial voting members of the Board within 6 months of the date of enactment of this legislation. Thereafter, the Deputy Under Secretary shall appoint the successors of each of three such members. Although the Board is to become self-perpetuating, the Committee believes the initial appointment of Board members by the Deputy Under Secretary will hasten the commencement of Foundation activities.

Subsection (c)(1)(C) provides that voting members of the Board be individuals who are not Federal officers or employees and who have demonstrated an interest in rural tourism development. The subsection requires that a majority of the Board members have experience and expertise in tourism trade promotion, and lists specific qualifications, each of which is to be met by at least one member of the Board.

The Committee anticipates that a single candidate may fulfill more than one membership requirement. For example, a qualifying representative of an Indian tribe also might be part of the majority of the Board with experience and expertise in tourism trade promotion. The same individual also might fulfill the requirement that one member have experience and expertise in financial administration. Board members and their immediate successors should be selected from diverse geographic areas of the United States.

Subsection (c)(2) states that the Deputy Under Secretary and representatives of Federal agencies with responsibility for recreational sites in rural areas shall be nonvoting, ex officio members of the Board. The Committee believes the involvement of these Federal representatives is vital to the success of the Foundation.

The remainder of subsection (c) provides direction with regard to election of officers and meetings of the Board.

Subsection (d) addresses compensation and reimbursement for expenses incurred by Board members.

Subsection (e)(1) provides for the acceptance of gifts, devises, and bequests by the Foundation. Subsection (e)(2) provides that any gift, devise, or bequest accepted by the Foundation for the benefit of or in connection with rural tourism on Indian reservations be maintained in a separate accounting for the benefit of Indian tribes in the development of tourism on Indian reservations. The Act of February 14, 1931 (25 U.S.C. 451), states that the Secretary of the Interior may accept and use donations, in furtherance of any program authorized by other provision of law, for the benefit of Indians, and thus the reported bill requires that such donations be accounted for separately by the Foundation.

Subsection (f) gives direction with regard to investments and other transactions by the Foundation related to property or income.

Subsection (g) provides that the Secretary, on request and without requiring reimbursement, may make available services and facilities of DOC for the use of the Foundation. Authority is provided to enable the Foundation to be housed within the USTTA, should it be necessary or should the Under Secretary prefer such an arrangement.

Subsections (h) through (m) provide general authority and guidance to the Foundation with regard to perpetual succession of the Foundation and the liability of Board members; contractual power; administration, including the hiring of officers and employees, and contracting for other necessary services; exemption from taxes and the ability to contribute toward the costs of local government; the liability of the United States for debts, defaults, acts, or omissions of the Foundation; and an annual report to Congress.

Subsection (n) contains definitions of terms used in this section.

Subsection (o) provides that the Secretary may assist the Foundation in the development and promotion of rural tourism.

SECTION 9—POLICY CLARIFICATIONS

This section makes several technical changes to the 1961 act which include: (1) highlighting the tourism industry's considerable contribution with respect to competitiveness of the U.S. economy; (2) expressing the need to increase U.S. export earnings from U.S. tourism; (3) coordinating and encouraging the growth of tourism to rural communities; and (4) adding several new agencies to the Tourism Policy Council whose responsibilities affect the successful application of tourism policy.

SECTION 10—ADMINISTRATION

The Committee believes that to maximize the use of USTTA resources, the regional operations of the USTTA should be tiered. Under this section three regional offices are to be established which collectively would have responsibility for all international promotional activities: (1) a European-based office for the Europe and Africa region; (2) an Asian or Southeast Asian-based office for Asia and the Pacific region; and (3) a North American-based office for the Americas and the Caribbean region. The Committee expects that USTTA also will establish small-country offices as needed to reinforce efforts undertaken during its 4-year promotional campaigns, and to support the U.S. mature markets (a mature market being defined as one where the United States already has a dominant share of long-haul outbound traffic). These offices would be staffed by either USTTA personnel, USFCS personnel, or contract representatives.

The Committee expects that the key functions of the regional offices are to include:

(1) monitoring and directing all activities of country offices;

(2) providing direction and guidance to country managers on country program implementation;

(3) coordinating and directing the personnel responsible for providing inquiry response/literature distribution services, public relations contacts, and other centralized services for countries within the region; and

(4) working with country managers and their VISIT USA committees in the development of tourism trade development programs to be submitted to USTTA headquarters for selection and approval.

The Committee expects that the key functions of the country offices may include:

(1) maintaining liaison with in-country travel trade suppliers to provide information and supporting their programs to increase travel to the United States;

(2) providing technical assistance to U.S. suppliers in the market;

(3) facilitating travel information distribution;

(4) developing marketing programs to be submitted to USTTA headquarters for consideration and inclusion in the tourism trade development program; and

(5) assisting in the development and direction of the VISIT USA committees in the country.

Finally, a new career position would be established, the Deputy Under Secretary for Tourism Trade Development. Responsibilities of the Deputy Under Secretary, who is to report to the Under Secretary, would include management of the new tourism trade development program, the administration of the regional and country offices, and outreach to assist local communities with underutilized tourism potential. Through the creation of this position, the Committee intends to ensure the continuity of the day-to-day administration of the USTTA and the implementation of its programs.

SECTION 11—AUTHORIZATION OF APPROPRIATIONS

Subsection (a) provides authorization for the USTTA at funding levels not to exceed $21,000,000 for FY 1993, $24,000,000 for FY 1994, and $27,000,000 for FY 1995.

Subsection (b) provides that up to $500,000 of the funds authorized for the USTTA in each of these fiscal years may be made available to match, partially or wholly, the amount of value of contributions made to the Foundation, and to provide administrative services for the Foundation.

SECTION 12—TOURISM HEALTH STUDY

The National Tourism Policy Act of 1981 gives express recognition to the health benefits of tourism, and commits the Federal Government to a national tourism policy which will "contribute to the health" of U.S. citizens (22 U.S.C. 2121). The Committee shares the view of many leisure and health experts that tourism can contribute significantly to the physical and mental health of individuals, but that systematic scientific research on this contribution is lacking.

Therefore, section 12 directs the Secretary to enter into arrangements with the Institute of Medicine to conduct the necessary scientific research, and, within 18 months of the date of enactment of

the legislation, submit a report to the Secretary, who then will transmit copies to the Senate Committee on Commerce, Science, and Transportation and the House Committee Energy and Commerce. The results of the study and report will be a valuable source of scientific information for Government and private health entities, and for the general public.

SECTION 13—TRAVEL BY DISABLED PERSONS

This section directs the Secretary to report to Congress, within 18 months of the date of enactment of this legislation on activities of DOC and other Federal agencies to increase tourism opportunities for, and encourage travel by, disabled persons.

The enactment of the Americans with Disabilities Act of 1990, P.L. 101-336 (ADA), will enable disabled persons to access more easily a wide range of travel and tourism related services. Accordingly, the Committee encourages the USTTA to work with other Federal agencies to ensure that disabled persons in the United States and abroad are aware of, and encouraged to enjoy, the increasing availability of travel and tourism opportunities intended to result from enactment of the ADA.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

INTERNATIONAL TRAVEL ACT OF 1961

Section 101 of that Act

SEC. 101. (a) * * *

(b) There is established a national tourism policy to—

[(1) optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the United States;]

(1) optimize the contributions of the tourism and recreation industries to the position of the United States with respect to international competitiveness, economic prosperity, full employment, and balance of payments;

(2) increase United States export earnings from United States tourism and transportation services traded internationally;

(3) ensure the orderly growth and development of tourism;

(4) coordinate and encourage the development of the tourism industry in rural communities which (A) have been severely affected by the decline of agriculture, family farming, or the extraction or manufacturing industries, or by the closing of military bases; and (B) have the potential necessary to support and sustain an economy based on tourism;

[2]*(5)* make the opportunity for and benefits of tourism and recreation in the United States universally accessible to residents of the United States and foreign countries and insure

that present and future generations are afforded adequate tourism and recreation resources;

[3]*(6)* contribute to personal growth, health, education, and intercultural appreciation of the geography, history, and ethnicity of the United States;

[4]*(7)* encourage the free and welcome entry of individuals traveling to the United States, in order to enhance international understanding and goodwill, consistent with immigration laws, the laws protecting the public health, and laws governing the importation of goods into the United States;

[5]*(8)* eliminate unnecessary trade barriers to the United States tourism industry operating throughout the world;

[6]*(9)* encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry;

[7]*(10)* promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

[8]*(11)* promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the United States;

[9]*(12)* preserve the historical and cultural foundations of the Nation as a living part of community life and development, and insurance future generations an opportunity to appreciate and enjoy the rich heritage the Nation;

[10]*(13)* insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources;

[11]*(14)* assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and within the United States, in order to facilitate planning in the public and private sectors; and

[12]*(15)* harmonize, to the maximum extent possible, all Federal activities in support of tourism and recreation with the needs of the general public and the States, territories, local governments, and the tourism and recreation industry, and to give leadership to all concerned with tourism, recreation, and national heritage preservation in the United States.

Section 201 of that Act

SEC. 201. In order to carry out the national tourism policy established by section 101(b) the Secretary of Commerce (hereafter in this Act referred to as the "Secretary") shall—

(1) * * *

(2) encourage the development of [tourist facilities, low cost unit tours, and other arrangements within the United States for meeting the

requirements of foreign visitors;] *receptive, linguistic, informational, currency exchange, meal, and package tour services required by the international market;*

(3) through (5) * * *

(6) encourage to the maximum extent feasible travel to and from the United States on United States carriers *and the use of other United States providers of travel products and services.*

Section 202 of that Act

SEC. 202. (a) In performing the duties set forth in section 201 the Secretary—

(1) through (4) * * *

[(5) upon the application of any State or political subdivision or combination thereof, or private or public nonprofit organization or association, may make grants for projects designed to carry out the purposes of this Act if he finds that such projects will facilitate and encourage travel to any State or political subdivision or combination thereof by residents of foreign countries;]

(6) through (8) * * *

(9) shall consult with foreign governments on travel and tourism matters and, in accordance with applicable law, represent [United States travel and tourism interests] *the United States national tourism interest* before international and intergovernmental meetings;

(10) through (11) * * *

(12) shall encourage to the maximum extent feasible travel to and from the United States on United States carrier *and the use of other United States providers of travel products and services*;

(13) through (14) * * *

[(15) shall develop and submit annually to the congress, within six weeks of transmittal to the Congress of the President's recommended budget for implementing this Act, a detailed marketing plan to stimulate and encourage travel to the United States during the fiscal year for which such budget is submitted and include in the plan the estimated funding and personnel levels required to implement the plan and alternate means of funding activities under this Act.]

(15) may assist the Rural Tourism Development Foundation, established under the Tourism Policy and Export Promotion Act of 1991, in the development and promotion of rural tourism.

(b) * * *

(c) No financial assistance will be made available under [paragraph (5) of subsection (a)] *subsection (e)* unless the Secretary determines that matching funds will be available from State or other non-Federal sources and in no event will the amount of any grant under this clause for any project exceed 50 per centum of the cost of such project. The Secretary is authorized to establish such policies, standards, criteria, and procedures and to prescribe such rules and regulations as he may deem necessary or appropriate for the administration of this [paragraph] *subsection*. Each recipient of assistance under [paragraph (5) of subsection (a) of this section] *subsection (e)* shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total

cost of the project or undertaking in connection with which such assistance is given or used, and the amount of the portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(d) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the assistance received under [paragraph (5) of subsection (a) of this section] *subsection (e).*

(e)(1) The Secretary's tourism trade development efforts shall focus on the markets which have the greatest potential for increasing travel and tourism export revenues.

(2)(A) Generic advertising and other tourism trade development efforts carried out by the Secretary in any calendar year after calendar year 1993 shall be planned and implemented pursuant to subparagraphs (B) through (E).

(B) By March 31 of each year, the Secretary shall publish a notice in the Federal Register soliciting comment, from persons interested in tourism trade, concerning markets that would be an appropriate focus of tourism trade development efforts to be carried out in the 12-month period that begins two years after the notice is published.

(C) Within one year after a notice is published under subparagraph (B), the Secretary shall select the markets that the Secretary determines are an appropriate focus of tourism trade development efforts to be carried out in the 12-month period described in subparagraph (B). The selection shall be announced by publication in the Federal Register.

(D)(i) At the same time that the Secretary announces the selection of markets under subparagraph (C), the Secretary shall issue a request for proposals from States and political subdivisions thereof, regional governmental entities, and appropriate nonprofit organizations and associations to develop and implement tourism trade development programs applicable to the markets so selected. Subject to the requirements of subsections (c) and (d), the Secretary may award grants to carry out proposals submitted under this subparagraph, and such grants shall be awarded no later than two years after the notice is published under subparagraph (B).

(ii) The expenditures in a fiscal year to issue requests for proposals and award grants under clause (i) shall not exceed 10 percent of the amount appropriated to the Secretary to carry out the duties authorized under this Act for that fiscal year.

(E)(i) During the 12-month period described in subparagraph (B), the Secretary shall carry out generic advertising and other tourism trade development efforts directed at the markets selected under subparagraph (C).

(ii) To reinforce the efforts carried out under clause (i), the Secretary shall establish tourism trade development offices in foreign locations appropriate for the markets selected under subparagraph (C).

(3) The Secretary shall evaluate the effectiveness of the efforts carried out under paragraph (2)(E) and, not later than one year after those efforts are completed, shall report to Congress on the results of the evaluation.

(4) The Secretary may make adjustments to the deadlines and time limitations imposed in this subsection if necessary to ensure the effectiveness of tourism trade development efforts.

(f) Funds appropriated to carry out this Act may be expended by the Secretary without regard to the provisions of sections 501 and 3707 of title 44, United States Code. Funds appropriated for the printing of travel promotional materials shall remain available for two fiscal year.

Section 203 of that Act

[SEC. 203. The Secretary shall submit annually to the President and to the Congress a report on his activities under this Act.]

Section 204 of that Act

SEC. 204. (a) The Secretary is authorized to provide, in accordance with subsections (b) and (c), financial assistance to a region of not less than two States or portions of two States to assist in the implementation of a regional tourism promotional and [marketing] *tourism trade development* program. Such assistance shall include—

(1) technical assistance for advancing the promotion of travel to such region by foreign visitors;

(2) expert consultants; and

(3) [marketing] *tourism trade development* promotional assistance.

(b) through (c) * * *

Section 301 of that Act

SEC. 301. (a)*(1)* There is established in the Department of Commerce a United States Travel and Tourism Administration which shall be headed by an Under Secretary of Commerce for Travel and Tourism who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall report directly to the Secretary. All the duties and responsibilities of the Secretary under this Act shall be exercised directly by the Secretary or by the Secretary through the Under Secretary of Commerce for Travel and Tourism. [The Secretary shall designate an Assistant Secretary of Commerce for Tourism Marketing who shall be under the supervision of the Under Secretary of Commerce for Travel and Tourism. The Secretary shall delegate to the Assistant Secretary responsibility for the development and submission of the marketing plan required by section 202(a)(15).]

(2) The Secretary shall designate a Deputy Under Secretary for Tourism Trade Development, who shall be drawn from, and serve as a member of, the career service. The Deputy Under Secretary shall have responsibility for—

(A) facilitating the interaction between industry and government concerning tourism trade development;

(B) directing and managing field operations;

(C) directing program evaluation research and industry statistical research;

(D) developing an outreach program to those communities with underutilized tourism potential to assist them in the development of strategies for expansion of tourism trade;

(E) developing a new program to provide financial assistance in support of non-Federal tourism trade development activities that complement efforts by the Secretary under section 202(e); and

(F) performing such other functions as the Under Secretary may assign.

[(b)(1) The Secretary may not reduce the total number of foreign offices of the United States Travel and Tourism Administration or the number of employees assigned to the offices of the Administration in foreign countries to a number which is less than the total number of employees of the United States Travel Service assigned to offices of the Service in foreign countries in fiscal year 1979.

[(2) In any fiscal year the amount of funds which shall be made available from appropriations under this Act for obligation for the activities of the offices of the United States Travel and Tourism Administration in foreign countries shall not be less than the amount obligated in fiscal year 1980 for the activities of the offices of the United States Travel Service in foreign countries.]

(b)(1) There shall be three regional offices of the United States Travel and Tourism Administration, based in and responsible for the following respective geographical areas:

(A) Europe and Africa.

(B) Asia and the Pacific region.

(C) North America, South America, and Caribbean region.

(2) Each such regional office shall monitor and direct the activities of—

(A) the tourism trade development offices within the region as established under section 202(e); and

(B) the country offices within the region that are responsible for mature markets.

(c) The Secretary shall ensure that the services of the United States and Foreign Commercial Service continue to be available to assist the United States Travel and Tourism Administration at locations identified by the Under Secretary of Commerce for Travel and Tourism, in consultation with the Director General of the United States and Foreign Commercial Service, as necessary to assist to the Administration's foreign offices in stimulating and encouraging travel to the United States by foreign residents and in carrying out other powers and duties of the Secretary specified in section 202.

(d) The expenditures in a fiscal year for administrative expenses, including salaries and other overhead expenses, shall not exceed 50 percent of the amount appropriated to the Secretary to carry out the duties authorized under this Act for that fiscal year.

Section 302 of that Act

SEC. 302. (a) * * *

(b)(1) The Council shall consist of—

(A) through (G) * * *

(H) the Secretary of Agriculture or the individual designated by such Secretary from the Department of Agriculture;

(I) the Chairman of the Tennessee Valley Authority;

(J) the Commanding General of the Corps of Engineers of the Army, within the Department of Defense;

(K) the Administrator of the Small Business Administration;

(L) the Commissioner of Customs;

(M) the Attorney General or the individual designated by the Attorney General from the Immigration and Naturalization Service;

[(H)] *(N)* the Secretary of Labor or the individual designated by such Secretary from the Department of Labor; and

[(I)] *(O)* the Secretary of Transportation or the individual designated by such Secretary from the Department of Transportation.

(2) through (3) * * *

(c) * * *

(d)(1) * * *

(2) through (3) * * *

(4)(A) Each year, upon designation by the Secretary of Commerce in accordance with subparagraph (B), up to three Federal departments and agencies represented on the Council shall each detail to the Council for that year one staff person and associated resources.

(B) In making the designation referred to in subparagraph (A), the Secretary of Commerce shall designate a different group of agencies and departments each year and shall not redesignate any agency or department until all the other agencies and departments represented on the Council have been designated the same number of years.

(e) through (f) * * *

Section 303 of that Act

SEC. 303. (a) There is established the Travel and Tourism Advisory Board (hereinafter in this section referred to as the "Board") to be composed of fifteen members appointed by the Secretary. The members of the Board shall be appointed as follows:

(1) through (2) * * *

(3) Twelve of the members shall be appointed from senior executive officers of organizations engaged in the travel and tourism industry. Of such members—

(A) at least one shall be senior representative from a labor organization representing employees of the tourism industry; [and]

[(B) at least one shall be a representative of the States who is knowledgeable of tourism promotion.]

(B) at least two shall be representatives of the States who are knowledgeable of tourism promotion; and

(C) at least one shall be a representative of a city who is knowledgeable of tourism promotion.

(4) * * *

(b) The members of the Board shall be appointed for a term of office of three years, except that of the members first appointed—

(1) four members shall be appointed for terms of one year, and

(2) four members shall be appointed for terms of two years, as designated by the Secretary at the time of appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office. Vacancies on the Board shall be filled in the same manner in which the original appointments were made. No member of the Board shall be eligible to serve in excess of [two consecutive terms of three years each] *six consecutive years or nine years overall.*

(c) through (e) * * *

(f) The Board shall advise the Secretary with respect to the implementation of this Act [and shall advise the Assistant Secretary for Tourism Marketing with respect to the preparation of the marketing plan under section 202(a)(15)]. The Board shall prepare an annual report concerning its activities and include therein such recommendations as it deems appropriate with respect to the performance of the Secretary under this Act and the operation and effectiveness of programs under this Act. Each annual report shall cover a fiscal year and shall be submitted on or before the thirty-first day of December following the close of the fiscal year.

Section 304 of that Act

[SEC. 304. For the purpose of carrying out this Act there is authorized to be appropriated an amount not to exceed $8,600,000 for the fiscal year ending September 30, 1982. Funds appropriated under this section shall be available without regard to the provisions of section 501 and 3702 of title 44 of the United States Code. Funds appropriated under this section for printing of travel promotion materials are authorized to be made available for two fiscal years.]

SEC. 2304. For the purpose of carrying out this Act, there is authorized to be appropriated an amount, not to exceed $21,000,000 for the fiscal year ending September 30, 1993, not to exceed $24,000,000 for the fiscal year ending September 30, 1994, and not to exceed $27,000,000 for the fiscal year ending September 30, 1995.

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